

## Extractives and Development Newsletter



# BMZ High-Level Forum on Mineral Supply Chains

Responsible Mining for the Just Transition

### Information on current topics and trends in the extractives sector

A service of GIZ project Extractives and Development

Dear readers,



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insightful read!

Welcome to the English issue of our extractives newsletter!

The Extractives and Development Sector Programme usually sends you a selection of articles and links that may be of interest to you. For this month, we did things a bit differently and prepared a special issue in the light of the BMZ High-Level Forum and the Side Event which took place last week in Berlin. In this way, we would like to review these events and share key impressions. We wish you an

Sincerely,

Your Extractives and Development Sector Programme

### BMZ HIGH-LEVEL FORUM ON MINERAL SUPPLY CHAINS

- » Keynote Speeches & Round Table by Minister Svenja Schulze and Ambassador João Samuel Caholo, Executive Secretary of the International Conference on the Great Lakes Region (ICGLR)
- » Panel 1: To what extent do Geopolitics influence Mineral Supply Chains?
- » Panel 2: The Social Dimension in Responsible Mineral Supply Chains
- » Panel 3: The Environmental Dimension in Responsible Mineral Supply Chains
- » Panel 4: The Governance Dimension in Responsible Mineral Supply Chains

» Panel 5: Pathways to Responsible Mining and Sustainable Mineral Supply Chains

#### **SIDE EVENT “IMPLEMENTING RESPONSIBLE MINING FOR THE JUST TRANSITION”**

- » UNU Flores/BGR: Implementing a Responsible Mine Closure and a Just Transition in the “Global South” – insights from the Sustainability Nexus Perspectives on Coal Phaseout and the BGR MinSus Project
- » IGF & WRM: Breaking Ground - Exploring the Gendered Impact of the Energy Transition on Mining Communities
- » ICGLR: Digitalization of the ICGLR Regional Certification Mechanism
- » GIZ & ECONIAS: Economic implications of the energy transition on government revenue in resource-rich countries
- » BGR: Holistic geoscientific capacity building for responsibly local value creation – Project experiences from Namibia and Mauritania
- » NRGI: Addressing corruption risks in transition minerals supply chains through a multi-stakeholder approach
- » Climate Smart Mining Facility of the Worldbank: Building mineral value chains in developing countries - Why should it work now?
- » CONNEX Support Unit: Resource rich countries in 2023 – are they really getting a good deal?
- » ARM & Save the Children: Why Corporate Due Diligence has to Involve Local Rightsholders to Achieve Meaningful and Sustainable Outcomes
- » SWP: The Role of Development Cooperation in Sustainable Raw Material Diplomacy: Partnerships for Local Value Creation
- » GIZ MinSus: What does a “Just Transition” mean for the lithium triangle?
- » EITI: Sustainable Mineral Supply Chains: What’s in it for Producer Countries?

#### **UPCOMING EVENTS**

- » EITI Global Conference
- » International Day of Women in Mining – IWIM Online Event
- » Global Conference on The Future of Resource Taxation
- » Intersolar Europe

## **BMZ High-Level Forum on Mineral Supply Chains**

Development cooperation plays a pivotal role in supporting partner countries in aligning their local development goals with the requirements for responsible mineral supply chains. The BMZ High-Level Forum brought together over 150 policymakers and representatives from civil society, academia and the private sector from around the world to discuss the challenges and opportunities in shaping responsible and resilient mineral supply chains.

### **Keynote Speeches & Round Table by Minister Svenja Schulze and Ambassador João Samuel Caholo, Executive Secretary of the International Conference on the Great Lakes Region (ICGLR)**



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After the welcome words from BMZ Director-General Dr. Jürgen Zattler, Minister Svenja Schulze highlighted Germany’s responsibility in the context of international commodity supply chains and the commitment of BMZ to ensure that environmental, social and human rights risks in commodity-producing countries receive special attention in international cooperation. Legal regulations such as the German Supply Chain Act (LkSG) and the EU Corporate Sustainability Due Diligence Directive (CSDDD) are

important steps toward greater responsibility along raw material supply chains. Executive Secretary Caholo addressed the close and diverse cooperation between Germany and the ICGLR in his keynote speech. In doing so, he emphasized collective responsibility and understanding on the international level.

Following to the keynotes, Minister Schulze and Executive Secretary Caholo discussed the leverages of development cooperation to promote responsible mineral supply chains during a round table discussion.

### **Panel 1: To what extent do Geopolitics influence Mineral Supply Chains?**

In the panel co-organised with the German Institute for International and Security Affairs (SWP), current global geopolitical factors and their influence on mineral supply chains

were discussed together with politicians and other stakeholders from academia and civil society. Views and voices from the Global South were at the centre of the discussion in order to jointly highlight the major fields of action for development cooperation.



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## Panel 2: The Social Dimension in Responsible Mineral Supply Chains



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The panel discussion co-organised with Human Rights Watch zoomed in on the social dimension of responsible mineral supply chains. It showcased human rights challenges in producing countries and discussed the role of both governments and companies in ensuring that human rights are protected and respected. More specifically, it explored the use of audits, human rights assessments, community engagement, and effective grievance mechanisms, especially with a view to increasing due

diligence legislation and existing industry standards.

## Panel 3: The Environmental Dimension in Responsible Mineral Supply Chains

The panel discussion on the environmental dimension of mineral supply chains was co-organised with the Climate-Smart Mining Facility (CSM) of the World Bank Group. The session focused on environmental impacts related to mining of minerals for the energy transition. Panelists discussed how negative externalities for producing countries can be avoided while ensuring resilient supply chains of minerals supporting the climate change agenda and a low-carbon future.

## Panel 4: The Governance Dimension in Responsible Mineral Supply Chains

Good governance of mineral supply chains is a key provision in order to enhance economic and social benefits, support energy transition efforts and minimize ecological impacts of the mining sector. The panel explored two key instruments: First, transparency reporting and second, due diligence regulations. If governance is part of the solution or part of the problem is determined by a complex set of factors that will be discussed during the panel. One key issue is the quality of formal regulation; the other is how regulation is implemented and how governmental and private actors along the minerals supply chains are held accountable by enforcement mechanisms. This session co-organised with the Natural Resource Governance Institute (NRGI) explored the specific governance challenges for corporate actors and governments around accountability along mineral supply chains for a multi-stakeholder expert audience.

## Panel 5: Pathways to Responsible Mining and Sustainable Mineral Supply Chains

The panel discussion on pathways to responsible mining and mineral supply chains was co-organised with the Intergovernmental Forum on Mining, Minerals and Metals

and Sustainable Development (IGF). The session focused on approaches and best practices to address environmental, social and governance (ESG) challenges in mineral supply chains for the energy transition. It discussed possible pathways to leverage opportunities for more inclusive partnerships and equitable dialogues among diverse stakeholders.



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[Find out more about the BMZ-High Level Forum](#)

[Read the event booklet](#)



## Side Event “Implementing Responsible Mining for the Just Transition”



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In the run-up to the High-Level Forum on Mineral Supply Chains – Responsible Mining for the Just Transition, the Sector Programme “Extractives and Development” (BGR & GIZ) organised the working-level side event “Implementing Responsible Mining for the Just Transition” on 31 May at GIZ’s Berlin Representation and online.

The event brought together more than 100 policymakers, practitioners, and academics to share and discuss experiences on project activities, research, and innovative instruments that contribute to responsible mineral supply chains. The event complemented the BMZ High-Level Forum by providing space for a more in-depth discussion. Twelve different sessions explored fields of action towards responsible mining for the just transition.

In the following you will find impressions of each session:

### UNU Flores/BGR: Implementing a Responsible Mine Closure and a Just Transition in the “Global South” – insights from the Sustainability Nexus Perspectives on Coal Phaseout and the BGR MinSus Project

The session organised by UNU Flores and BGR discussed challenges and solutions regarding the implementation of responsible mine closure and a Just Transition in the Global South. Assuring that supply chains of minerals for the energy transition are responsible also includes assuring that these mines will be closed responsibly. In the same vein, the phase-out of coal must be conducted in a way that addresses environmental challenges beyond climate action, including the legacies of mining for soil and water resources and considering the needs of local populations and economies. The session illustrated the opportunities and challenges of a timely, just, and sustainable coal phase-out as well as experiences on responsible mine closure in the Andean region from a development cooperation perspective.

### IGF & WRM: Breaking Ground - Exploring the Gendered Impact of the Energy Transition on Mining Communities



This side event was jointly organized by the IGF and Women's Rights and Mining and pursued the question: "what does the energy transition mean for women and marginalized groups in local communities living in proximity to minerals' extraction that are critical for the energy transition?". The event aimed to provide a better understanding of the potential opportunities and challenges for women's economic empowerment and livelihoods, community resilience, and mitigating potential negative impacts on marginalized groups living in proximity to mineral extraction.



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## ICGLR: Digitalization of the ICGLR Regional Certification Mechanism



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The session took stock of the efforts made by the ICGLR to implement digital solutions to collect, store and use information generated during the framework of its Regional Certification Mechanism which is a tool to implement the OECD Due Diligence Guidance in the African Great Lakes Region. Lessons learned in form of experiences, challenges and benefits of digitalization of mineral supply chains in the Great Lakes Region regarding digitalization of chain of custody systems were further provided during the session.

## GIZ & ECONIAS: Economic implications of the energy transition on government revenue in resource-rich countries

The transition to net zero and subsequent appetite for electric vehicles, wind turbines, solar panels and new electricity connections will require huge quantities of 'energy transition minerals' such as cobalt, copper, graphite and lithium. This offers an opportunity for many resource-rich countries to generate additional government revenues from the extraction of their mineral reserves, fuelling economic growth and development. How large will these additional revenues be? And what can countries do to maximize the opportunities? The session presented new estimates of the revenue potential from mining of critical minerals by introducing the [study "Economic implications of the energy transition on government revenue in resource-rich countries"](#).

## BGR: Holistic geoscientific capacity building for responsibly local value creation – Project experiences from Namibia and Mauritania

Improving mining benefits for producing countries and regions is a key interest in many resource-rich countries. The creation of local value chains is therefore a key concern of governments and development partners of BMZs raw material projects. BGR has extensive experience in supporting governments to create geoscientific knowledge and administrative structures in order to support the private sector to get engaged in raw material value chains. In this session BGR project managers from Mauritania and Namibia discussed strategies, challenges and solutions they found in collaboration with local partners in order to create local benefits from the mining sector.

## Climate Smart Mining Facility of the Worldbank: Building mineral value chains in developing countries - Why should it work now?

Secure and resilient clean energy supply chains are essential to ensure sustainable economic growth and the energy transition. Massive investments are required in the global energy system for countries to fulfil their Nationally Determined Contribution (NDC) commitments made under the Paris Agreement. Recent minerals supply disruptions have exposed the vulnerabilities of global mineral supply chains. Governments have adopted different strategies for their mineral supply security. The discussion focused on vulnerabilities of mineral supply chains, options to secure supply, and the opportunities that arise for developing resource-rich countries.



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## CONNEX Support Unit: Resource rich countries in 2023 – are they really getting a good deal?

All too often, governments leave “money on the table” in the contracts that they sign, because of a lack of enough expertise in negotiating large-scale investment contracts. Issues such as manufacturing, the importance of infrastructure and financial modelling aspects were highlighted during the panel. This panel organised by the G7 CONNEX initiative included the viewpoints of current and former governments officials from Mauritania and Argentina respectively. In addition, Cécile Billaux (European Commission, DG INTPA) provided a perspective from the European Union regarding its support for CONNEX and its potential value.

## ARM & Save the Children: Why Corporate Due Diligence has to Involve Local Rightsholders to Achieve Meaningful and Sustainable Outcomes



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In this session, the Alliance for Responsible Mining (ARM), its partner Datastake, and Save the Children, repositioned communities and affected rightholders at the centre of mineral supply chain due diligence efforts, a pre-requisite towards a just energy transition. Through consolidation of findings from various contexts and approaches, the objective of this session was to showcase best-practice examples of why collaborating with civil society actors and community-centered organisations is necessary to achieve formalization

of ASM & protection of human/ child rights.

## SWP: The Role of Development Cooperation in Sustainable Raw Material Diplomacy: Partnerships for Local Value Creation

This session focused on strategic partnerships and international cooperation in the minerals sector. The presentation highlighted different mechanisms for increasing local value addition in the minerals sector and observations of current policy priorities/agendas of mineral-rich countries; this should form the basis for the development of raw material partnerships between Germany and existing or new partner countries. The session also demonstrated how good governance and sustainability can be promoted through partnership cooperation.



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## GIZ MinSus: What does a “Just Transition” mean for the lithium

## triangle?

This session focused on the lithium boom that is being experienced in the so called “lithium triangle”, the expected impacts this will have and the responses of relevant stakeholders to manage this boom. A specific focus of the session lied on the Chilean experience at the national and local level. Given that the Salar de Atacama is responsible for about 30% of global lithium production in 2022 and the two mining companies in the Salar have been operating in the region for decades, it is a good case study of the potential impacts this industry could have going forward and provide valuable lessons learned.

## EITI: Sustainable Mineral Supply Chains: What’s in it for Producer Countries?

This roundtable discussion explored the benefits of sustainable supply chains from a mineral-producer country perspective. Participants exchanged views on the value proposition of good governance standards in mineral-producing countries, including how supply chain transparency supports a just energy transition. Growing demand for the minerals required to build infrastructure for a net-zero economy could bring opportunities to attract investment, increase local procurement, improve employment, and address the development needs of local communities. However, material risks could arise from a global mining boom including increased environmental impacts, corrupt deals, unfair labour practices, price shocks and disruptions in global supply chains. The roundtable considered how transparency, data disclosure and multi-stakeholder dialogue can help resource-rich countries to mitigate these risks and deliver potential opportunities for citizens.

[Learn more about the side event](#)

## Upcoming Events

### EITI Global Conference

**13.-14.06.2023**

The Extractives Industries Transparency Initiative (EITI) is convening its annual global conference in Dakar, Senegal, between June 13 and 14. The 56th EITI Board Meeting and other meetings by invitation will take place one day before on June 12. On June 15, there will be peer learning sessions that will bring together EITI practitioners to share experiences.

[More information](#)

### International Day of Women in Mining – IWIM Online Event

**15.06.2023, 2:00 pm (CEST)**

International Women in Mining (IWIM) will host an online event on the International Day of Women in Mining on 15 June at 2:00-4:00 pm (CEST). Two primary objectives of the event are to celebrate the pioneers who paved the way, the women currently working in the mining value chain, and those who will join the mining sector in the future as well as to be a campaign that calls on industry and individuals to collectively and collaboratively work on initiatives towards a more sustainable, diverse and inclusive mining industry. Guest speakers will focus on how “Equity in Mining is Everyone’s Responsibility”.

[Register here](#)

### Global Conference on The Future of Resource Taxation

**26..-28.06.2023**

The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) and the African Tax Administration Forum (ATAF), in partnership with the Zambia Revenue Authority (ZRA), invite you to join for the Global Conference on The Future of Resource Taxation, taking place from 26-28, June 2023 in Lusaka, Zambia. The conference brings together government officials from ministries of mining, finance, and revenue authorities as well as industry, civil society, academia, and international organizations to discuss the role of taxation in this era of energy transition and other global trends.

[Find out more](#)

## Intersolar Europe

**14.-16.06.2023**

Intersolar Europe is the world's leading exhibition for the solar industry. Under the motto "Connecting solar business," manufacturers, suppliers, distributors, service providers and project planners and developers from around the world meet in Munich every year to discuss the latest developments and trends, explore innovations first-hand and meet potential new customers. Intersolar Europe takes place as part of The smarter E Europe parallel to the three energy exhibitions ees Europe, Power2Drive Europe and EM-Power Europe at Messe München from June 14–16, 2023.

[Find out more](#)



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